

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 ICA-20
AID-05 COME-00 EB-08 FRB-01 TRSE-00 XMB-04
OPIC-06 LAB-04 SIL-01 OMB-01 STR-07 CEA-01 AGRE-00
/115 W

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R 071835Z APR 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 1939
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMCONSUL GENOA
AMCONSUL MILAN
AMCONSUL NAPLES
AMCONSUL TURIN
AMCONSUL PALERMO
USCINCEUR VAIHINGEN GERMANY
USDOCOSOUTH

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USEC
USOECD ALSO FOR EMBASSY
USDOCOSOUTH FOR INTAF

E.O. 11652: N/A
TAGS: ELAB, PINT, IT
SUBJ: BENVENUTO CALLS FOR UNION COOPERATION TO HELP ALFA
ROMEO OUT OF ITS DIFFICULTIES

REF : ROME 3075, 1753 AND 1560

1. SUMMARY. IN A MARCH 31 INTERVIEW IN LA REPUBBLICA, UIL
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SECRETARY GENERAL GIORGIO BENVENUTI SURPRISED EVERYONE AND
AROUSED CONSIDERABLE POLEMICS IN TRADE UNION CIRCLES BY BLUNTLY
DISCUSSING THE REASONS FOR AND RISKS OF THE POOR PRODUCTIVITY
AND RESULTANT LOSSES AT ITALY'S MAJOR STATE-OWNED AUTO FIRM
ALFA ROMEO, AND URGING UNION COOPERATION IN HELPING ALFA OUT
OF ITS DIFFICULTIES. RENOWNED AS AN OUTSPOKEN PALADIN OF TRADE
UNION INTRANSIGENCE, BENVENUTO SURPRISED EVERYONE BY STEALING

A LEAF FROM CGIL SECRETARY GENERAL LUCIANO LAMA'S BOOK AND SOUNDING A CALL FOR UNION MODERATION AND RESPONSIBILITY SIMILAR TO THAT IN LAMA'S EARLIER SURPRISE INTERVIEW IN LA REPUBBLICA (REFTELS), ALTHOUGH BENVENUTO LIMITED HIMSELF TO THE URGENT PROBLEMS AT ALFA ROMEO. END SUMMARY.

2. AFTER BLAMING POOR MANAGEMENT FOR MUCH OF ALFA'S DIFFICULTIES, BENVENUTO ACKNOWLEDGED THAT UNION INFLEXIBILITY BORE MUCH OF THE BLAME TOO. HE SUGGESTED THAT IT IS UNCONSCIONABLE FOR THE COLLECTIVITY TO HAVE TO BEAR THE BURDEN OF FINANCIAL LOSSES TO PRODUCE FAST CARS, WHICH HAVE NO PARTICULAR SOCIAL UTILITY, AND THAT IT WOULD BE BETTER TO TURN IT OVER TO PRIVATE ENTERPRISE THAN CONTINUE TO FINANCE LOSSES. IN ORDER TO AVOID A DISASTER SUCH AS THAT SUFFERED BY THE STATE FRUIT-CASE AND FOOD PRODUCTS FIRM UNIDAL, (AT WHICH THE UNIONS FINALLY AGREED TO REDUCE STAFF AND HELP RELOCATE WORKERS WITH OTHER FIRMS), BENVENUTO SUGGESTED THAT THE UNION COOPERATE, WITHIN THE TERMS OF ITS CONTRACT, TO AUTHORIZE OVERTIME, REDUCE ABSENTEEISM AND ALLOW INTERNAL LABOR MOBILITY TO PRODUCE MORE OF THE FAST-SELLING NEW "GIULIETTA" MODEL AT THE PLANT OUTSIDE MILAN. PRESUMABLY, THIS WOULD ALSO IMPLY SIMILAR COOPERATION TO REMEDY THE WORSE SITUATION AT THE ALFASUD PLANT NEAR NAPLES. BENVENUTO PROPOSED THAT A SUPERVISORY COMMISSION WITH REPRESENTATIVES FROM MANAGEMENT, THE NATIONAL LABOR FEDERATIONS AND THE METALWORKERS' FEDERATION BE FORMED TO MONITOR ALFA'S OPERATION AND PROPOSE SOLUTIONS. ON THE MANAGE-UNCLASSIFIED

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MENT AND INVESTMENT SIDE AS WELL AS THE PRODUCTIVITY, OVERTIME, LABOR MOBILITY AND ABSENTEEISM SIDE, IN ORDER TO STRAIGHTEN OUT ALFA'S PRODUCTION AND PROFIT DIFFICULTIES AND MAINTAIN OR INCREASE EMPLOYMENT.

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3. BENVENUTO'S INTERVIEW DREW IMMEDIATE CRITICAL COMMENT FROM THE THREE METALWORKERS' UNION LEADERS: COMMUNIST PIO GALLI OF CGIL, SOCIALIST VINCENZO MATTINA OF UIL (PERHAPS A POTENTIAL RIVAL FOR BENVENUTO) AND FRANCO BENTIVOGLI OF CISL, AND FROM MANY OTHER LABOR MILITANTS, ESPECIALLY IN CISL. THEY LAID THE BLAME EXCLUSIVELY ON MANAGEMENT FOR ALFA'S DIFFICULTIES AND CRITICIZED BENVENUTO FOR PUBLICIZING "PERSONAL" OPINIONS WITHOUT COORDINATING WITH THE UNIONS DIRECTLY INVOLVED. REACTION FROM DIRECTLY-INVOLVED PROVINCIAL AND PLANT-LEVEL UNION OFFICIALS INTERVIEWED BY THE PRESS WAS MIXED, MOSTLY POSITIVE AT MILAN AND MOSTLY CRITICAL AT NAPLES, BUT BENVENUTO'S REMARKS SHOULD HAVE A POSITIVE RESULT ON NEGOTIATIONS NOW

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UNDERWAY AT MILAN IN RESPONSE TO ALFA MANAGEMENT'S REQUEST FOR OVERTIME FOR THE "GIULIETTA". LOCAL COMMUNIST PARTY OFFICIALS INTERVIEWED IN MILAN AND NAPLES REACTED WHOLLY POSITIVELY, AND COMMUNIST DAILY L'UNITA' ALSO GAVE BENVENUTO FAVORABLE COVERAGE, EXPRESSING PLEASURE THAT BENVENUTO WAS ADOPTING A RESPONSIBLE POSITION IN KEEPING WITH LAMA'S INTERVIEW AND THE NEW LINE ADOPTED AT THE RECENT CGIL-CISL-UIL ASSEMBLY (REFTELS), AND ENDORSING BENVENUTO'S ANALYSIS OF THE ALFA PROBLEM. IN AN APRIL 7 REPUBBLICA INTERVIEW, LAMA SAID "BENVENUTO IS PERFECTLY RIGHT AND WHOEVER ATTACKS HIM NOT ONLY DOES NOT SHARE THE (CCU) LINE ADOPTED AT EUR, BUT ALSO SHOW THEY DO NOT UNDERSTAND WHAT THE UNIONS MUST BE TODAY, THAT OUR STRENGTH CAN DO GOOD, BUT ALSO GREAT DAMAGE TO THE COUNTRY." HE REITERATES MANY OF HIS OWN EARLIER ARGUMENTS AS WELL AS THOSE OF BENVENUTO. UIL'S MINORITY REPUBLICANS CRITICIZED BENVENUTO'S INCONSISTENCY AND COMPLAINED OF HIS EARLIER OBSTRUCTIONISM ON OTHER ISSUES, RATHER THAN WELCOMING HIS ESPOUSAL IN THIS

CASE OF VIEWS SIMILAR TO THEIR OWN.

4. COMMENT. AT CONSIDERABLE RISK OF CRITICISM AND LOSS OF SUPPORT, BENVENUTO ADDRESSED A TICKLISH PROBLEM WITH OUT-SPOKEN CANDOR AT A VITAL MOMENT FOR A MAJOR STATE INDUSTRIAL FIRM. BENVENUTO'S CREDENTIALS AS A MILITANT SHOULD PROVE HELPFUL IN CONVINCING THE WORKERS AND LOCAL-LEVEL UNION OFFICIALS TO ADOPT A MORE HELPFUL ATTITUDE. THE FACT THAT HIS INITIATIVE ON THIS SPECIFIC ISSUE IS WELCOMED BY THE COMMUNISTS (WITH THE EXCEPTION OF GALLI) AND FITS WITHIN THE LOGIC OF THE NEW "LAMA LINE" SHOULD NOT DETRACT FROM APPRECIATION OF HIS INITIATIVE, PARTICULARLY AS HIS MOVE IS NOT TIMED TO SERVE THE INTERESTS OF HIS PARTY (SOCIALIST) THE WAY LAMA'S WAS TIMED TO SERVE THE INTERESTS OF HIS, AND SO MUST BE TAKEN ON ITS MERITS. BENVENUTO, IN CRITICIZING LAMA'S INTERVIEW, DID SO PRINCIPALLY ON THIS GROUNDS.

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BENVENUTO'S OUTSPOKEN INTERVIEW MAY ALSO HELP RECOVER THE INITIATIVE FROM LAMA AND REASSERT BENVENUTO'S (AND CISL SECRETARY GENERAL MACARIO'S) CO-LEADERSHIP ROLE WITHIN CCU.HOLMES

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 apr 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME06487
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780151-0533
Format: TEL
From: ROME USOECDF
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780480/aaaacqfi.tel
Line Count: 195
Litigation Code IDs:
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Litigation History:
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Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 ROME 3075
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3040118
Secure: OPEN
Status: NATIVE
Subject: BENVENUTO CALLS FOR UNION COOPERATION TO HELP ALFA ROMEO OUT OF ITS DIFFICULTIES
TAGS: ELAB, PINT, IT, (BENVENUTI, GIORGIO)
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/4cfa34b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014